

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



February 24, 1989

ALL COUNTY LETTER NO. 89-21

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: JONES et al. v YEUTTER et al. CLASS ACTION LAWSUIT -
BUDGETING OF CWD PAID GRANTS IN FOOD STAMPS

REFERENCES: All County Letter 88-150, dated December 2, 1988;
63-503.232(c)(4); EMC 2 DHS #89028

This is a follow-up to systems message EMC 2 DHS #89028, February 21, 1989, which provided information on the class action lawsuit filed in the United States District Court against the United States Department of Agriculture and the California Department of Social Services. The lawsuit challenges the policy outlined in All County Letter (ACL) 88-150 which requires the retrospective budgeting of County Welfare Department (CWD) paid grants, received by food stamp households in the beginning months, when the County was unable to prospectively budget such grants.

As indicated in EMC 2 DHS #89028, an agreement (attachment) between all parties was signed on February 17, 1989. The conditions of the agreement require the following:

- o Effective the date the agreement was signed by all parties, February 17, 1989, ACL 88-150 is withdrawn.
- o Any notices of action (NOA) sent as a result of ACL 88-150 affecting March eligibility or benefits must be rescinded.
- o Beginning with the March allotment, if an otherwise eligible food stamp household actually loses benefits because the proposed reduction or termination was not promptly withdrawn as required by the agreement, benefits must be immediately restored.

The agreement indicates the State will be held "harmless for any quality control errors which may occur in the period during which this agreement is in effect and which errors result from the State's implementation of the terms of this agreement." We believe this means that the State and Counties will be held harmless for Federal active sample errors that result from being out of compliance with current Federal regulations on budgeting CWD paid grants.

The conditions of this agreement will remain in effect pending the outcome of the lawsuit. If you have any questions, you may contact the Food Stamp Policy Implementation Bureau at (916) 322-5330.

Sincerely,

A handwritten signature in dark ink, appearing to read 'R. A. Horel', written over a horizontal line.

ROBERT A. HOREL
Deputy Director

Attachment

cc: CWDA

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2 BYRON J. GROSS

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11 Attorneys for Plaintiffs

12 UNITED STATES DISTRICT COURT
13 CENTRAL DISTRICT OF CALIFORNIA
14

15 CHRISTINE JONES, JACQUELINE GWYER,)
16 GALINA ALEXANDROV, and DORIS)
17 WILSON, on behalf of themselves)
and all others similarly situated,)

18 Plaintiffs,)

19 v.)

20 CLAYTON K. YEUTTER, in his)
21 official capacity as Secretary of)
the U.S. Department of)
22 Agriculture; and LINDA McMAHON,)
in her official capacity as)
23 Director of the California)
Department of Social Services,)

24 Defendants.)
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26
27
28

Case No.

89-0760 WDK (JRx)

AGREEMENT PENDING
RESOLUTION OF CASE

AGREEMENT AMONG THE PARTIES PENDING RESOLUTION OF CASE

Plaintiffs have filed litigation before the United States District Court for the Central District of California entitled Jones, et al. v. Yeutter, et al., U.S.D.C., E.D. Ca., Civil No. 89-0768 WDK (JRx). The plaintiffs, defendant Clayton K. Yeutter, Secretary of Agriculture, and defendant Linda McMahon, Director of the California Department of Social Services, by and through their respective counsel, hereby agree to the following:

1. This agreement shall become effective immediately upon execution by counsel for the respective parties herein.

2. In exchange for the following terms agreed to by defendants, plaintiffs will not seek an order of temporary and/or preliminary relief from the Court on behalf of the named plaintiffs or the putative class members.

3. Effective the date this agreement is executed by all parties, the State defendant agrees to withdraw California Department of Social Services All County Letter No. 88-150, attached to the Complaint herein as Exhibit 2.

4. Within one business day of the date that plaintiffs telefax this executed agreement to State defendant at 916-445-4846, attention Sharon Hindley, Legal Affairs, defendant McMahon shall notify in writing all county departments of social services that All County Letter No. 88-150 has been withdrawn, effective immediately. Defendant McMahon shall assure that this written notice is delivered by telegraph, express mail, electronic mail or other comparable means intended to assure delivery no later than the following business day.

5. Within five business days of the date that this agreement is telefaxed to the State defendant, defendant McMahon shall issue a new All County Letter which shall direct county departments of social services to withdraw any Notice of Action or other comparable county action which is effective subsequent to the effective date of this agreement and would purport to reduce or deny food stamps to any otherwise eligible food stamp household as a result of implementation of withdrawn All County Letter No. 88-150.

6. The aforementioned new All County Letter shall also provide that, as of the date that this agreement becomes effective and any time thereafter, in the event that any otherwise eligible food

stamp household suffers an actual reduction or denial of food stamps as a result of the inadvertent implementation of withdrawn All County Letter No. 88-150, any such food stamps shall be restored on an expedited basis to the household once that error becomes known to the county department of social services.

7. Federal defendant shall hold the State defendant harmless for any quality control errors which may occur in the period during which this agreement is in effect and which errors result from State defendant's implementation of the terms of this agreement.

8. The parties herein agree that this agreement shall remain in effect until such time as this action is resolved either by subsequent agreement of the parties herein or by judicial disposition.

READ AND AGREED TO:

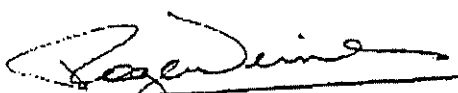
By:

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Counsel for Plaintiffs

DATED: 2/17/89.

By:

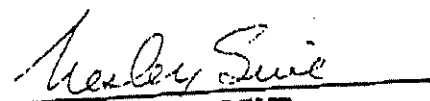


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DATED: Feb. 16, 1989

Counsel for Defendant Clayton K. Yeutter,
Secretary of U.S. Department of Agriculture

By:



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DATED: Feb. 17, 1989

Counsel for Defendant Linda McMahon,
Director, California Department of
Social Services